

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

AUG 16 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Telephone Number Portability	)	CC Docket No. 99-35
Tariff Filings of	)	
	)	
Ameritech Operating Companies	)	Transmittal Nos. 1186, 1187
	)	
GTE System Telephone Companies	)	Transmittal No. 271
	)	
GTE Telephone Operating Companies	)	Transmittal No. 1190
	)	
Pacific Bell	)	Transmittal No. 2029
	)	
Southwestern Bell Telephone Company	)	Transmittal No. 2745

**AMERITECH'S LNP REFUND PLAN**

In accordance with the Commission's LNP Tariff Order in this Docket<sup>1</sup>, Ameritech files with the Common Carrier Bureau its plan for refunding a portion of the long-term number portability ("LNP") rates it has collected. In the LNP Tariff Order, the Commission prescribed LNP rates for Ameritech; ordered it to cease charging the LNP end-user charge to Commercial Mobile Radio Service ("CMRS") carriers; and required it to refund to its end-user and carrier customers, with compounded interest, the difference between the LNP charges prescribed by the Commission and those collected by Ameritech under its original LNP tariffs.<sup>2</sup> The Commission

<sup>1</sup> Memorandum Opinion and Order, released July 16, 1999 ("LNP Tariff Order").

<sup>2</sup> at paras. 169-171.

No. of Copies rec'd 0+9  
List ABCDE

further delegated to the Bureau the authority to review refund plans and to resolve any oppositions thereto.<sup>3</sup>

In accordance with the LNP Tariff Order, Ameritech is filing its LNP Refund Plan, which provides for the refund to customers and carriers of all amounts collected by Ameritech in excess of the LNP rates prescribed by the Commission in its LNP Tariff Order, and provides for the payment of interest compounded daily on the amounts refunded under the plan. Ameritech's LNP Refund Plan is attached as Attachment A. By filing its LNP Refund Plan, Ameritech reserves its right to seek reconsideration or to appeal the Commission's or the Bureau's LNP orders.

Ameritech avers that its LNP Refund Plan fully complies with the Commission's LNP Tariff Order. Ameritech, therefore, requests that it be promptly approved and implemented.

Respectfully Submitted,

  
Larry A. Peck  
Counsel For Ameritech  
Room 4H86  
2000 West Ameritech Center Drive  
Hoffman Estates, IL 60196-1025  
(847) 248-6074

Date: August 16, 1999  
[LAP0338 LNP Refund Plan]

---

<sup>3</sup> at para. 178.

## **AMERITECH'S LONG TERM NUMBER PORTABILITY REFUND PROPOSAL**

Ameritech has developed the following proposal to provide refunds to customers for Service Provider Number Portability Service (SPNP) Monthly Charge and Local Number Portability (LNP) Query Service in compliance with the Commission's July 16, 1999 Memorandum Opinion and Order in this docket. Ameritech's refund proposal consists of three parts: 1) a proposal for refunding SPNP Monthly Charges; 2) a proposal to refund LNP Query Service charges; and 3) a proposal to eliminate and refund SPNP Monthly Charges for CMRS Type 1 customers.

### **I. SPNP MONTHLY CHARGE REFUND PROPOSAL**

Ameritech plans to change the rate for its Service Provider Number Portability (SPNP) Monthly Charge from \$.41 to \$.28 on all bills processed beginning September 7, 1999. At the same time it will also change its SPNP Monthly Charge - ISDN Prime from \$2.05 to \$1.40 and its SPNP Monthly Charge - PBX Trunk from \$3.69 to \$2.52.

Ameritech proposes to refund the difference between the original rates and the prescribed rates for the period during which the customer was billed the original rates (the "differential amount") on the first bill where the prescribed rate is reflected (bills issued between September 7, 1999 and October 4, 1999). Customers would receive interest, compounded daily, on the differential amount (the "interest amount") on the next bill after they receive the refund, in other words, on bills beginning October 7, 1999. The interest amount would be paid through a one month reduction in the SPNP Monthly Charge rate to reflect the amount of the interest refunded. A bill page message would explain the rate reduction and why it was being made. The refund of the interest amount would include interest up through the date when the bills with the interest refund are processed (bills issued between October 7, 1999 and November 4, 1999).

### **CALCULATION OF THE DIFFERENTIAL AMOUNT**

Ameritech is implementing billing for the SPNP Monthly Charge in three stages. The first stage, completed on February 1, 1999, included all customers who were eligible to be billed the SPNP Monthly Charge as of that date. The second stage covered 28 NPA-NXXs which became eligible to be billed the SPNP Monthly Charge on April 16, 1999, when billing of the SPNP Monthly Charge commenced. The third and final implementation stage will be completed on September 11, 1999 and will cover additional customers who became or will become eligible to be billed the SPNP Monthly Charge between February 1, 1999 and September 24, 1999 and will be billed the \$.28 rate starting with bills issued between September 11 and October 10.

Customers whose NPA-NXX was included in the first stage of implementation will receive a credit for the differential amount based on \$.13 per month (the difference between the original \$.41 rate and the prescribed \$.28 rate) from either February 1, 1999, or the date when they were first billed the SPNP Monthly Charge, until the date of their first bill reflecting the prescribed \$.28 rate (bills issued between September 7 and October 4). Customers in the second stage of implementation will receive a credit for the differential amount based on \$.13 per month

covering the period from either April 16, 1999 or the date when they were first billed the SPNP Monthly Charge, until the date of their first bill reflecting the prescribed \$.28 rate (bills issued between September 7 and October 4). Customers in the final stage of implementation will not receive a credit for the differential amount since they will have been billed at the prescribed \$.28 rate from the date that billing of the SPNP Monthly Charge commenced for their lines.

Customers who were billed the SPNP Monthly Charge - ISDN Prime or the SPNP Monthly Charge - PBX Trunk will see similar adjustments calculated based on the difference between the old and new rates and the amount of time they were billed at the old rates.

## **CALCULATION OF THE INTEREST AMOUNT**

All eligible customers, defined as customers of record as of October 7, 1999 who are being billed the SPNP Monthly Charge, will receive a refund of the interest compounded daily on the differential amount. All eligible customers will receive the same interest amount regardless of when the SPNP Monthly Charge was first applied to their account. The interest amount will be calculated as follows:

- The interest amount will be based on the monthly differential amount of the SPNP Monthly Charge (\$.13 per month) from February 1, 1999 until October 4, 1999. The interest amount calculation will be the same for all eligible customers even though some eligible customers began paying the SPNP Monthly Charge on a date later than February 1 or in the case of customers in the third implementation stage, were never billed at the \$.41 rate. Still other customers will have their rate for the SPNP Monthly Charge adjusted on bills dated before October 4, 1999.
- Interest on the differential amount will be calculated at the rate of 8% per annum compounded daily. The 8% interest rate reflects the Internal Revenue Service's rate for Corporate underpayments and Non corporate underpayments and overpayments as of July 1, 1999, the most recent date this rate was set.
- Since the interest refund will be made after the refund of the differential amount, an additional amount of interest (the "additional interest amount") will be added to the interest amount for the interest which will accumulate on the interest amount from October 5, 1999 through November 4, 1999.
- The sum of the interest amount, plus the additional interest amount, is \$.0332 per line which will be rounded to \$.04. A \$.04 per line reduction in the SPNP Monthly Charge will be reflected on bills processed between October 7, 1999 and November 4, 1999.
- The interest adjustment for customers who were billed the SPNP Monthly Charge - ISDN Prime or the SPNP Monthly Charge - PBX Trunk will be calculated in the same manner as described above.

## **TIMELINE FOR IMPLEMENTATION:**

8/6 - Request for rate change submitted, including the refund plus interest

9/5 - Rate change implemented

9/7 - 10/4 - Customer bills processed reflecting new rates and refund of differential amount.

10/7 - 11/4 - Customer bills processed reflecting the refund of the interest amount.

## **RATIONALE:**

- It is important that customers see the revised SPNP Monthly Charge amount reflected in their bills as quickly as possible.
- Ameritech will bill the SPNP Monthly Charge to approximately 2.5M customers for the first time on bills processed beginning September 11, 1999. Customer confusion will be minimized if these customers are billed at the prescribed rates from the start instead of being billed at original rate and then receiving a credit when the prescribed rates are introduced. Because the implementation of billing for these customers is viewed as a billing change by the billing system, any delay in implementation of billing would cause the implementation date to be pushed until March 2000 at the earliest due to year 2000 ("Y2K") limitations.
- 
- As part of its Y2K implementation plan, Ameritech will need to severely restrict changes to the billing system during a period from October 1, 1999 through February 29, 2000. The reason for this limitation is to minimize Y2K related disruptions while also minimizing the impact to on-going business operations. Stable systems are required to aid the implementation of Y2K initiatives and to allow quick isolation and resolution of any implementation problems which might arise.
- Ameritech will be able to make rate changes in its billing system at any time, except for a brief period at the end of 1999 due to Y2K limitations, since they do not affect the underlying billing systems.
- The only way in which Ameritech can separate the rate change from the refund of the differential amount would be to provide the refund in March 2000 or later due to Y2K limitations.
- Ameritech is more limited in its ability to refund the interest on the refund amount. The interest cannot be refunded at the same time as the rate change without making a change to the billing system, which cannot be done until March 2000 or later due to Y2K limitations. The interest can be refunded the month after the rate change to reduce the SPNP Monthly Charge rates by making a temporary one month rate change (on bills issued between October 7 and November 4). This change would reduce the amount of the SPNP Monthly Charge for one month to reflect the credit for the \$.04 interest amount. All customers receiving a bill dated between October 7 and November 4 will be billed an SPNP Monthly Charge of \$.24 on

that bill only. The \$.24 rate is calculated by subtracting the credit for the interest refund amount of \$.04 from the SPNP Monthly Charge rate of \$.28. This approach ensures that customers receive a credit for at least the amount of interest to which they are entitled. Some customers would receive a larger interest refund than they were entitled to receive either because they began being billed the \$.41 SPNP Monthly Charge after 2/1/99 or, in the case of the 2.5M customers mentioned above, they were never billed the \$.41 rate, or in still other cases received the refund on a bill dated before October 4, 1999.

- Customers who were billed the SPNP Monthly Charge - ISDN Prime or the SPNP Monthly Charge - PBX Trunk will have their bills adjusted in the manner described above to reflect the interest refund which has been calculated based on their differential amount.

#### **BILL PAGE MESSAGES:**

Residence customers who have been billed the SPNP Monthly Charge prior to September 11, 1999 will receive the following message on the bill where the SPNP Monthly Charge is first billed at the prescribed rates and the differential amount is refunded:

##### **"LNP RATE DECREASE**

The Local Number Portability (LNP) surcharge you pay monthly was reduced from \$.41 to \$.28 per line. The new rate appears on your bill this month, along with a credit of \$.13 per line for each month you paid the charge since its inception. A credit for the interest on this refund amount will be on your next bill. LNP lets customers keep their phone number if they select a new local phone carrier."

Business customers who have been billed the SPNP Monthly Charge prior to September 11, 1999 will receive the following message on the bill where the SPNP Monthly Charge is first billed at the prescribed rates and the differential amount is refunded:

##### **"LNP RATE DECREASE**

The Local Number Portability (LNP) surcharge you pay monthly was reduced to \$.28 per line, \$1.40 per ISDN Prime facility and \$2.52 per PBX trunk. The new rate appears on your bill this month, along with a credit of \$.13 per line, \$.65 per ISDN Prime facility and \$1.17 per PBX trunk for each month you paid the charge since its inception. A credit for the interest on the refund amount will be on your next bill."

Residence and business customers who are billed the SPNP Monthly Charge beginning on September 11, 1999 or later will not receive a bill page message because they will be billed at the prescribed rate from the start.

Residence customers who have been billed the SPNP Monthly Charge prior to September 11, 1999 will see the following message on the bill where the interest refund is received:

### **"LNP INTEREST CREDIT**

Your Local Number Portability (LNP) surcharge this month includes a \$.04 credit per line for interest on the LNP overpayment that was refunded to you on your last bill. This lowers the LNP surcharge this month to \$.24 per line. The normal charge of \$.28 per line will appear on your next bill. LNP enables customers to keep their phone number if they select a new local phone carrier."

Residence customers who are billed the SPNP Monthly Charge beginning September 11, 1999 or later will see the following message on the bill where the interest refund is received:

### **"LNP INFORMATION**

Your Local Number Portability (LNP) surcharge this month is only 0.24 per line due to a one-time rate adjustment. The normal charge of \$.028 per line will appear on your bill next month."

Business customers who have been billed the SPNP Monthly Charge prior to September 11, 1999 will see the following message on the bill where the interest refund is received:

### **"LNP INTEREST CREDIT**

Your Local Number Portability (LNP) charge this month includes a credit for the interest on an LNP overpayment refunded to you on your last bill. This interest credit is \$.04 per line, \$.20 per ISDN Prime facility and \$.36 per PBX trunk. This lowers the charge this month to \$.24 per line, \$1.20 ISDN and \$2.16 PBX. The normal charge of \$.28 per line, \$1.40 ISDN or \$2.52 PBX will be on your next bill"

Business customers who are billed the SPNP Monthly Charge beginning September 11, 1999 or later will see the following message on the bill where the interest refund is received:

### **"LNP INFORMATION**

The Local Number Portability (LNP) surcharge this month is only \$0.24 per line, \$1.20 per ISDN Prime facility, and \$2.16 per PBX trunk due to a one-time rate adjustment. The normal charge of \$0.28 per line, \$1.40 per ISDN Prime facility, or \$2.52 per PBX trunk will appear on your bill next month."

### **RECOMMENDATION:**

Ameritech proposes to implement the rate change and provide customers with a refund of their differential amount beginning with bills processed starting September 7, 1999. Ameritech also proposes to refund the interest with compound interest amount the month following the month when the refund of the differential amount is processed. The refund of the interest amount would be made as a one month temporary adjustment in the rate for the SPNP Monthly Charge. This approach would minimize the amount of customer confusion associated with the refund and

permit the 2.5M customers being billed the SPNP Monthly Charge for the first time to be billed correctly from the start.

If the Common Carrier Bureau determines that the refund should be made using a different approach than one discussed above, Ameritech would agree to provide a "true up" between these two approaches which would appear on customer bills after March 2000 when the Y2K limitations on billing changes are removed.

## **II. LNP QUERY SERVICE REFUND PROPOSAL**

Ameritech changed the rates for its LNP Query Service effective July 24, 1999. All LNP queries made after this date have been billed at the FCC's prescribed rates. Ameritech proposes to refund the difference between the LNP Query Service charges customers have paid for LNP queries from February 1, 1999 through July 23, 1999 and the charges they would have paid using the prescribed rates (the "differential amount"). This refund would appear on customer's bills beginning no later than November 15, 1999.

Customers will also receive interest on the differential amount (the "interest amount") on the same bill on which the differential amount is received. The differential amount and the interest amount will appear as separate line items on the customer's bill. The interest amount will cover the period from the date of the first bill the customer received showing LNP queries billed at the old rates, February 1, 1999 or later, until the date of the bill on which the differential amount and the interest amount are refunded.

### **CALCULATION OF THE DIFFERENTIAL AMOUNT:**

The differential amount will be calculated as a one time bill adjustment covering LNP Query Service charges for the period from February 1, 1999 through July 23, 1999.

LNP Query Charges are billed in arrears on the customer's monthly CABS (Carrier Access Billing System) bill. In other words, LNP Query Service charges for February were billed on the customer's March bill. (By way of comparison, the SPNP Monthly Charge is billed in advance on the customer's monthly bill created by the Ameritech Customer Information System, or ACIS.) Ameritech proposes to calculate the differential amount for LNP Query Service charges based on the LNP Query Service charges included on bills beginning March 1, 1999, which was the first bill to reflect LNP Query Service charges at the rates introduced on February 1, 1999. The calculation of the differential amount will include bills issued up through August 23, 1999 which will be last bill issued which would reflect LNP Query Service charges billed at the rates introduced February 1, 1999.

### **CALCULATION OF THE INTEREST AMOUNT:**

For each customer, interest will be calculated on the differential amount for each bill issued to them between March 1, 1999 and August 23, 1999. For each bill issued to the customer during this period which contains charges for LNP Query Services, interest compounded daily will be calculated for the differential amount for the period from the date of the bill on which the LNP



Query Service was billed to the date of the bill when the interest amount is refunded. The customer's interest amount will be the total of the interest amounts for each bill issued to the customer between March 1, 1999 and August 23, 1999.

The interest amount will be calculated using an interest rate of 8% per annum compounded daily. The 8% interest rate reflects the Internal Revenue Service's rate for Corporate underpayments and Non corporate underpayments and overpayments as of July 1, 1999, the most recent date this rate was set.

#### **TIMELINE FOR IMPLEMENTATION:**

7/24 - FCC prescribed rates implemented.

7/24 - 8/23 - First customer bills processed reflecting prescribed rates.

11/15 - 12/14 (at the latest) - Customer bills processed reflecting the differential amount and the interest amount.

#### **RATIONALE:**

- Ameritech's customers are already being billed the prescribed rates for LNP Query Services.
- This method is the current Ameritech process for issuing refunds or credits in the CABS system

#### **BILL MESSAGES:**

The bill which reflects the differential amount and the refund amount will include the following explanatory phrases.

With respect to the differential amount:

"adjustment of LNP query charges from 2/1 thru 7/23, effective 11/15" \*

With respect to the interest amount:

"credit for interest from 2/1 thru 7/23, effective 11/15" \*

- \* 11/15 represents the date of the first bill where customers will receive the differential amount and the interest amount. If the date of the first bill when these two amounts will be reflected is earlier, this date will be changed to the earlier date.

In addition to these bill phrases, customers will also be notified of this credit by a letter which will explain the adjustment in more detail.

### **III. SPNP MONTHLY CHARGE REFUND PROPOSAL FOR TYPE 1 WIRELESS CUSTOMERS**

The FCC's Memorandum Opinion and Order in Docket No. 99-35, released July 16, 1999, also required Ameritech to stop assessing end user charges on Commercial Mobile Radio Service (CMRS) providers' Type 1 DID/DOD trunks and refund any end user charges it has imposed on such providers. Ameritech plans to cease billing the SPNP Monthly Charge to CMRS with Type 1 service on bills issued after September 7, 1999.

Type 1 customers will receive credit for the SPNP Monthly Charges they have paid on bills issued beginning September 7, 1999 through October 4, 1999. These bills will reflect a credit of \$.41 per month from either February 1, 1999 or the date when the SPNP Monthly Charge was first billed to the customer and the date of the bill reflecting the credit.

Ameritech will also provide Type 1 CMRS carriers with a payment of the interest compounded daily on the amount of the SPNP Monthly Charges they were billed. Due to Y2K constraints, this refund cannot be made until March 2000 at the earliest. At that time, customers will receive interest on the amount of SPNP Monthly Charges which they were billed based on an interest rate of 8% per annum compounded daily. The 8% interest rate reflects the Internal Revenue Service's rate for Corporate underpayments and Non corporate underpayments and overpayments as of July 1, 1999, the most recent date this rate was set. The refund of the interest amount will appear as a credit on the customer's monthly bill.

As part of its Y2K implementation plan, Ameritech will severely restrict changes to its billing system during a period from October 1, 1999 through February 29, 2000. The reason for this limitation is to minimize the Y2K related disruptions while also minimizing the impact to on-going business operations. Stable systems are required to aid the implementation of Y2K initiatives and to allow quick resolution of any implementation problems which might arise. The refund of the interest amount to the CMRS Type 1 customers will require a billing change which cannot be scheduled until after this period has ended.

The refund of the SPNP Monthly Charge plus compound interest to CMRS carriers with Type 1 service will impact approximately 200 customers with a total of 2200 trunks.

Ameritech is examining alternative methods refund the interest amount for CMRS type I carriers prior to March 2000 and will notify the Common Carrier Bureau should it be able to refund the interest amount at an earlier date.

CERTIFICATE OF SERVICE

I, Grace Germain, do hereby certify that a copy of Ameritech's LNP Refund Plan has been served on all parties of record, via first class mail, postage prepaid, on this 16th<sup>th</sup> day of August, 1999.

By: Grace Germain  
Grace Germain *dx*

COLLEEN BOOTHBY  
JUSTIN G CASTILLO  
AD HOC TELECOMMUNICATIONS USERS  
COMMITTEE  
LEVINE BLASZAK BLOCK & BOOTHBY LLP  
SUITE 900  
2001 L STREET NW  
WASHINGTON DC 20036

JAMES H BROLIN JR  
MARK C ROSENBLUM  
ROY E HOFFINGER  
AT&T CORP  
ROOM 3245H1  
295 NORTH MAPLE AVENUE  
BASKING RIDGE NJ 07920

JAMES T HANNON  
US WEST COMMUNICATIONS INC  
SUITE 700  
1020 19<sup>TH</sup> STREET NW  
WASHINGTON DC 20036

JOHN F RAPOSA  
GTE SERVICE COPORATION  
PO BOX 152092  
600 HIDDEN RIDGE HQE03J27  
IRVING TX 75015-2092

GAIL L POLIVY  
GTE SERVICE COPORATION  
SUITE 1200  
1850 M STREET NW  
WASHINGTON DC 20036